



Consumer Expectations, Brands Taking Stands, Signal a Move Toward **‘BRAND CITIZENSHIP’**

When the ridesharing company Lyft issued its IPO in March 2019, hitting the public market with a valuation in excess of \$20 billion, the company sent an email to its enormous mailing list. The company didn’t crow about its projected growth, valuation or plans for a presumed high-tech, driverless future. Instead, beneath the subject line — “A public company invested in the public good” — the company detailed its commitment to its drivers, customers and the communities. The company claimed: “For once, the good thing, the right thing, the business thing, can be the same thing.”

Platitudes? The new normal?

Time will tell. What is clear is the role of the brand is as expansive as ever, as expectations for corporate responsibility continue to rise.

A 2019 report by Global Strategy Group — one of many recent research reports reaching similar conclusions — shows clear expectations for companies to engage in issues beyond their bottom lines, with 92 percent of survey respondents declaring it important that companies take positions on issues that are in line with their values as a company.

In her classes, Darden Professor Lalin Anik traces the recent history of the “brand promise,” during which consumer focus shifted from simply considering products and services to increasingly weighing a brand’s principles and values. Anik, a professor in the Marketing area, notes that the unspoken brand promise between consumer and company in the 20th century typically pertained to the experiences the consumer could expect to receive, most of which were aspirational.

In the 21st century, the brand promise is more nuanced, and more complicated.

“What we see today is a different version of this promise: Consumers not only want the brands to deliver value for them individually, but they ask brands to be accountable and make life better for others,” said Anik. “I am not confident that marketers would have predicted this shift a couple of decades ago.”

TOWARD THE CONCEPT OF BRAND CITIZENSHIP

Anne Bahr Thompson (MBA ’88) began to notice something funny in the consumer data in 2011.

Conducting consumer research for her brand consultancy Onesixtyfourth’s annual trend study, Bahr Thompson asked a series of typical questions gauging consumer expectations for the future and sentiment around corporate actions, and the answers painted a stark portrait of consumer expectation.

“What happened was completely surprising,” said Bahr Thompson, the former executive director of strategy and branding at the global brand consultancy Interbrand. “People told us that they wanted business to step in and fix the problems that government was no longer dealing with.”

BY DAVE HENDRICK

The findings, which also showed that people are more inclined to support companies that show they have their customers and the community in mind when making decisions, set Bahr Thompson on a yearslong course of research that culminated in the 2017 publication of the book *Do Good: Embracing Brand Citizenship to Fuel Both Purpose and Profit*.

“The idea of brand citizenship brings together two concepts that historically have sat apart,” said Bahr Thompson. “It embodies the notion that brands, which I think of as the human face of the business, should be active participants in a society. Brands are citizens that have a role and responsibilities beyond creating customer experiences and earning money for their owners.”

Bahr Thompson distills brand citizenship, and what consumers said they expected from business, into five steps.

TRUST: Above all, people require businesses to deliver on their promises.

ENRICHMENT: People demand that brands enhance their lives.

RESPONSIBILITY: Consumers expect brands to treat people fairly and behave ethically.

COMMUNITY: Brands can rally community in a fractured world, and consumers choose to be connected through their consumer choices.

CONTRIBUTION: People have a strong bias for buying from companies that fulfill pledges to make a difference in their community and world. If a brand is improving life on the planet, it is thereby enriching the life of its consumer.

The brands getting this right and speaking to what consumers are clamoring for, operate the length of what Bahr Thompson calls the Me to We continuum, delivering value to an individual while also delivering value to society.

Bahr Thompson didn't set out to coin a phrase or document a movement. The pillars came up from the mouths of consumers, she said, and if they seem evident, it may be because the sentiments have been mainstreamed in recent years. When Laurence Fink, CEO of BlackRock, the world's largest investor with roughly \$6 billion assets under management, issued an investor's letter saying companies had a responsibility to embrace a higher purpose and help solve the world's problems, it created headlines, but it wasn't shocking.

“It absolutely has come to the surface, and the spotlight will shine on how companies are doing good more and more,” said Bahr Thompson. “We have people demanding CEOs take stands and engage employees through purpose more and more.”

LIFE ON THE INSIDE OF A BRAND CITIZEN

Joe Giallanella (MBA '11) worked at the H.J. Heinz Co. after Darden, working his way up to brand manager of the company's crown jewel: ketchup. Giallanella helped launch various flavored ketchups, expanded the organic line of sauces and worked on a Super Bowl ad. A great job, Giallanella said, but the product manager couldn't help but think the company could be doing more than it was, particularly in the areas of health and wellness and by expanding the organic business.

“I started recognizing, if priorities aren't coming down from the top as key areas of focus, it's going to be a little bit harder to turn that battleship,” said Giallanella.

Giallanella began testing the job waters, keeping in mind lessons from Professors Ed Freeman — the world's foremost authority on stakeholder theory — and Bobby Parmar on the difference between shareholder and stakeholder value and how some organizations create value from a bottom-up approach, with the notion of taking care of employees, the supply chain and community as foundational to their approach.

Through a job transition, Giallanella aligned his personal purpose with a corporate ethos at Seventh Generation, the Vermont-based cleaning and paper goods company that is a founding B Corp, a business that meets a verified standard of social and environmental purpose, public transparency and legal accountability.

Giallanella joined the company in 2015 to lead its personal care business. Today, he serves as senior brand manager for the company's growth incubator. Part of his charge is to “democratize” and expand products that have largely been consumed by an affluent demographic. For instance, Giallanella has expanded the reach of the brand by leading the launch of cleaning products into professional spaces to benefit the health of custodial workforces.

Giallanella must also envision what Seventh Generation's business looks like tomorrow, including asking questions

about new products: Does it help the company achieve its goal of being zero waste by 2025? Can all the packaging be recycled or composted? Does it provide value to the consumer while improving the overall community?

And, when it comes to actually selling the product, can it truthfully convey the weight of the brand's intentions to the customer?

“It's more about creating a conversation with consumers, demonstrating why it's right for them and why it's right for society as well,” said Giallanella. “How do you demonstrate, as authentically as possible, the purpose of your brand and the mission behind the brand?”

The company's name is intended to suggest that every decision



Joe Giallanella (MBA '11) worked as a brand manager at Heinz and now works for Vermont-based Seventh Generation.

it makes considers the impact on the next seven generations. Giallanella says its part of the company's brand and marketing and is also an authentic sentiment.

“We truly are a triple bottom-line company. Yes, we need to make profit but that isn't the sole focus of the organization,” said Giallanella. “Our mission is really to transform the world into a healthier, more sustainable and equitable place for all.”

The massive, multinational, publicly traded corporation Unilever recently acquired Seventh Generation, and Bahr Thompson believes similar acquisitions will continue. She says large corporations are indeed learning from smaller entities, but stresses that doing good and being truly purpose-driven is not one-size-fits-all. While B Corps show the trend in greatest relief, a range of diverse companies show elements of being good brand citizens, from Google to Trader Joe's to IKEA.

DARDEN'S OPPORTUNITY

As consumers, employees and companies embrace an era of greater corporate responsibility, the Darden School's opportunity to drive the conversation around and growth of brand citizenship is immense.

The School's foundation in ethical instruction — Darden was the first major business School to make ethics a required core course — is well-documented. Ethics and responsible action inform courses throughout the curriculum, and Darden research centers like the Institute for Business in Society create avenues for positive business impact through the School and the world.

One tangible sign of the School's efforts: In early 2019, Darden was ranked the No. 1 MBA program in the world for corporate social responsibility by *Financial Times*.

Anik said she sees the commitment to corporate responsibility in her students in a variety ways, ranging from how they evaluate businesses in classroom discussions to the companies they choose to work for after school.

“It used to be that these values and expectations would surface predominantly in the ethics classes,” said Anik. “Yet now, students question whether companies are driven by and deliver on the right purpose and values in all their classes.”

For Giallanella, a strong commitment to doing what's right keeps him motivated at work in a way that working for a company without a triple-bottom line pursuit never could.

“There is a different way, and we are trying to prove this is the better way,” said Giallanella. “Having a strong mission tied to what we are doing and a different mindset about what business can be — using business as a tool for good — is certainly something that motivates me.”

Professor Kimberly Whitley Believes Chinese Companies Are Rewriting the Rules for Marketing

Western marketing approaches have long been treated as universal. Theory and best practices have largely been created by western marketers, identified by western academics and codified by western authors. From text books to managerial books, the way to build brands and market has largely been viewed through a western marketing lens that has simply been adapted to local market conditions.

But what if some markets are developed in such a different manner that consumer beliefs, habits and practices significantly differ? Is it possible that not all marketing theory and best practices are universal?

Darden Professor Kimberly Whitley, who has worked on global business and traveled in China as both a general management marketer and researcher, reported on the shifting landscape in the May-June issue of *Harvard Business Review* in the article “What Western Marketers Can Learn From China.”

Here, she shares key insights from the article.

4 Key Factors Converging to Make China an Unprecedented New Marketing Frontier

- **Channel-Straddling Media Giants** — Led by Baidu, Alibaba and Tencent, a wave of homegrown conglomerates reach Chinese consumers in countless ways, with a single company often delivering consumers the news, banking, gaming, video and sports.
- **A World of Closed-Loop Data** — Given nearly unbroken engagement with platforms owned by a single company, the new media giants often know exactly how consumers spend their time. This closed loop has huge implications for how a company tailors its marketing to individuals.
- **A Mobile-First Market Development** — Given the primacy of the mobile device for Chinese consumers, Chinese marketers start from a place of creating marketing content that will be engaged with and shared.
- **Speed** — Marketers in China prize speed and growth, while western firms emphasize scale and efficiency. The pace of native companies has significant implications for local units of western firms.

Whitley says companies must develop relationships with China's new media gatekeepers, especially the “big three.” They must commit to a mobile-first mindset and to a social, viral approach. Companies also must figure out true cross-platform integration and consider whether planning is coming at the expense of speed.

While marketing theory and practice have largely been created in the West and exported to the East, it may be time for a reversal. Those open to truly learning from a dynamic new culture may be best positioned for long-term success, Whitley says.

Coming soon: Darden will launch a new microsite on WeChat for the Chinese audience.